

**Secretary of Health and Human Resources=
CHILD SUPPORT GUIDELINE REVIEW PANEL
730 East Broad Street B Management Services Unit
Richmond, Virginia 23219**



Joseph S. Crane, Chairman
Bill Brownfield, Staff Director

804/692-1401; jsc900@dcse.dss.state.va.us
804/692-2403; whb900@dcse.dss.state.va.us

**Minutes
June 4, 2002 Meeting**

The meeting of the 2001-2002 Secretary's Child Support Guideline Review Panel was held on June 4, 2002 at 9:00 a.m. in the lower level of the Theater Row Building, Richmond, VA. Mr. Joseph Crane, Chairman, called the meeting to order, welcomed the members and guests, and noted that Mr. Bill Brownfield, Staff Director, would serve the Panel as Secretary.

The following members were present for the meeting: Ms. Amy Atkinson; Ms. Cathy Burch; Ms. Ann Brakke Campfield; Mr. Maxie Cannon; Chairman Joseph Crane; Mr. Lawrence Diehl; Ms. Cynthia Ewing; Mr. Murray Steinberg; Ms. Stephanie Sulmer; Judge Patricia West, and Judge Ellen White. Support staff present included Bill Brownfield, Bob Owen and Angela Thomas. Delegate Vivian Watts and Senator Fred Quayle did not attend.

The Chair declared a quorum present. He reminded the members that the deadline for the Panel's report to the Secretary and the General Assembly is October 31, 2002, stating that the draft report must be completed in early September in order for Panel review and comments, and approval.

Mr. Crane noted the minutes of the May 23, 2002 meeting of the Panel had been distributed earlier via mail, and asked the Secretary to present them. Ms. Ewing moved the minutes be approved as distributed. The motion was approved unanimously.

Mr. Crane noted the chart sent to all members correcting data presented at the last meeting, which had reflected, inaccurately, an extreme increase in the total child support arrearage accumulation in Virginia's Child Support Enforcement program relative to the average amount of increased arrearage in other states child support enforcement programs. The chart reflected the more accurate increase, which admittedly was still substantial though well below the national average. Panel members requested that Mr. Crane provide them with an explanation of the makeup of the total accumulated arrearages, which he agreed to do.

Note was also made of two handouts provided at this meeting to all members, as requested by individual Panel Members: "*Estimated Family Expenditures for Children: A Review of the Literature*" and a complete copy of the entire child support enforcement portion of the Code of Federal Regulations (CFR 45).

Judge White moved the Panel recommend the production and distribution by the Department of Social Services of a video tape directed to all persons having administrative or court child support cases. The intent of the video is to explain Virginia's child support guideline to all parties, including the statutory deviations for the Schedule of Monthly Obligations. The tape is to be distributed to all appropriate courts, all child support offices and made known to and available to any other interested agencies or appropriate organizations. Approved unanimously.

By common consent, the members agreed to add Issues #5 and #15 to the "highest priority" category of the Issues List [attached.] Issue #29 was included in Issue #5. It was noted that Issue #28 was not shown to be in that category, but should be.

At 10:00 a.m. Mr. Robert Raymond, CPA, presented to the Panel the federal tax issues available to some parents, and which could impact child support obligations. This was followed by a number of questions from the members to Mr. Raymond, followed by a lengthy discussion.

Mr. Cannon moved that tax issues be tabled; the motion failed for lack of a second.

Judge White moved that the Panel explore the consequences of adding the "Earned Income Tax Credit to the statutory definition of "Gross Income" found in § 20-108 C of the Code of Virginia. The motion was approved unanimously.

Judge White moved the Panel employ a consultant to provide a chart exhibiting the impact of the tax consequences of child dependency, child exemptions, and child care credits. Motion approved unanimously.

By common consent, the members asked that staff review a reported new child support schedule in Colorado, with particular attention as to how Colorado treated the issue of a "self-support reserve" for the noncustodial parent.

Judge White moved that an economist be employed to draft a new "Virginia" schedule based upon the JLARC report recommendation, using "estimated expenditures"; "average use" approach of husband-wife households [considering that housing and transportation costs attributed to the children based upon "average use" costs,] and that the new Schedule include a self-support reserve. The motion was approved unanimously. Dr. Knapp and Dr. Rodgers are to be contacted relative to this effort, and the Panel desires that the makeup of the new Schedule be a part of the consulting, e.g. explanation of how the data reflects housing, food, transportation costs, etc.

Mr. Cannon moved that child support be based only on the parents' primary income. The motion failed due to the lack of a second.

Given the workload it is facing, by common consent, the Panel approved the scheduling of an additional meeting for Monday, August 19, 2002 at 9:00 a.m. in lower level conference rooms 1 and 2 of

the Theater Row Building, Richmond, VA Staff will promptly notify panel members not present at the time of this decision so they may plan accordingly.

Mr. Cannon invited all Panel members to a planned Fatherhood Conference at the Richmond Center on Saturday, July 20, 2002, 9:00-2:00 p.m. He stated they would have an opportunity to hear about and from fathers, concerning the impact of child support on their lives. No registration fee will be charged.

By common consent, the Chair was requested to seek advice from the Attorney General as to whether federal law or regulations permit any portion of the federal Earned Income Tax Credit to be counted as "gross income," as defined in § 20-108.2 (B) of the *Code of Virginia*, for the purpose of determining monthly child support obligations.

At 3:15 p.m., due to members who had to leave, a quorum was no longer present. Those present were reminded the next meeting is scheduled for Monday, July 1, 2002 at the Theater Row Building in Richmond, Lower Level Rooms #1 and 2.

The Chair adjourned the meeting at 3:55 p.m.

Bill Brownfield, Secretary

Approved as amended, July 1, 2002

ATTACHMENT

Highly Important Issues list

(As re-revised at the June 4, 2002 meeting)

Highest-ranked issues are in **bold** and are in no particular order of priority]

1. **Define child support. What should be included in the award? Need to be stated such that it is uniformly understood;**
2. Concrete rules as to when child support can and cannot be awarded;
3. Review of the amount of the award. Is there really a need?;
4. A “disincentive” for attorneys who might limit visitation under 90 days, e.g. a policy statement;
5. **One standard guideline with all deviations used by court and DCSE; deviation factors;**
6. Custodial parent accountability of child support awards;
7. Review and possible adjustment of child support award according to age of dependent;
8. **Tax consequences in the guideline; Taxes - how to address benefits and consequences; Day care costs/federal child care credits;**
9. §20-108.2 (First Mortgage concept versus second family/relationship children);
10. **Minimum order (\$65) for Court-ordered@ child support for unemployed NCP's;**
11. **Review the three recommendations from the JLARC Report on The Cost of Raising Children;**
12. Shared custody - policy statement;
13. ~~Taxes—how to address benefits and consequences;~~ [see #8]
14. **Maximum percent of income to order - a maximum percentage of income;**
15. **Base pay versus second job income;**
16. ~~Day care costs/federal child care credits;~~ [see #8]
17. **Means of identifying the support, e.g. food, shelter, transportation, etc.;**
18. Any changes in federal bankruptcy laws;
19. **Schedule inclusions/parameters of the Schedule;**
20. Half-day issues;
21. Emancipation issues [Shoup v Shoup];
22. Gross income versus net;
23. Mandatory review for unemployed-imputation [Jackson letter];
24. Update guidelines to reflect the real cost of raising children [Walter's letter and three following];
25. Require filing annual financial affidavit, to include “assets” in addition to “income”;
26. When ordered payment is not forthcoming, reasonable legal costs to collect support should be charged to obligor;
27. When arrearages occur, some automatic penalty similar to mortgage or rent payment;

28. Self Support Reserve

~~29. Deviation factors; [See #5]~~

30. Language to nullify “clean hands” issue [when NCP has arrearage and is in financial difficulty]; and,

31. Determine Income Shares versus Cost Shares for determining the Schedule of Monthly Obligations.